Appendix F
Anticipated Offshore Oil and Gas Activity

APPENDIX F

The following information on anticipated offshore oil and gas activity is excerpted from the Shell Mounds Draft Program Environmental Impact Report/Environmental Assessment.

Anticipated Future Activities on Existing Leases

Carone Petroleum, Inc. (Carone), Plan of Development of the Carpinteria Field Area

Carone has applied to the CSLC to develop and produce existing State Oil and Gas Leases PRC-4000, PRC-7911, and PRC-3133 within the Carpinteria Field (Carone 2001). Specifically, Carone proposes to drill up to 25 new production or injection wells from Outer Continental Shelf (OCS) Platform Hogan. Oil and gas production from the State leases would be commingled on Platform Hogan with existing production from the federal lease and sent via existing pipelines to the La Conchita Processing Facility, which is located in Ventura County, 3,000 feet northwest of the community of La Conchita. After processing, gas and oil are sold to The Gas Company and other third parties at La Conchita sales meters, and shipped via existing pipelines.

Estimated maximum "commingled" production (both the proposed State and current and future federal development) would be approximately 6,000 barrels of oil per day (BOPD) and 22 million cubic feet per day (MMCFD), with production estimated to decline after 2020. Preparation of an Environmental Impact Report (EIR) for the project pursuant to the requirements of the CEQA has been delayed at the request of the applicant

Venoco, Inc. (Venoco) Extended Field Development/Marine Terminal

Venoco has applied to the CSLC, California Coastal Commission (CCC), Ventura and Santa Barbara Counties, and the City of Goleta to allow for expanded development of the South Ellwood Field from Platform Holly, which lies in State waters offshore Goleta in Santa Barbara County (Venoco 2001a). As proposed, Venoco would construct a new 28.75-mile, 12-inch offshore sales oil pipeline that would originate at Platform Holly (15 miles west of the shell mounds sites), cross State waters, and connect to an existing 22-inch sales oil pipeline at the Rincon Onshore Separation Facility (ROSF), which is located 5 miles east of Carpinteria in Ventura County, for metering, sale, and shipping to Los Angeles refineries. Venoco is currently evaluating other potential pipeline options as well (pers. comm., S. Greg, Venoco). Platform Holly is currently permitted at a production rate of 20,000 BOPD; current production is 4,100 BOPD. The CSLC staff estimates that as much as 155 million barrels of oil may be produced over the life of the project, with a (best case) peak daily production of around 20,000 BOPD (although half that is a more likely scenario). In January 2002, the agencies determined that Venoco's application was incomplete. Environmental and technical review of the project under

the CEQA, including the preparation of an EIR, would commence after Venoco's application is filed as complete. The applications have not been resubmitted to date.

Venoco has applied to the CSLC separately to renew their general lease PRC 3904.1 for the Ellwood Marine Terminal (EMT) in Santa Barbara County. This renewal would allow continued operation of the offshore portion of the EMT through February 28, 2013. The EMT handles all of the oil production from the South Ellwood field. Oil is transported from Platform Holly in State waters through a subsea pipeline to the Ellwood Onshore Facility for processing. Once processed, Venoco sends the oil to the EMT through the common carrier ExxonMobil Pacific Onshore Transfer Pipeline. At the EMT, the oil is first stored in two onshore tanks and is then pumped into a pipeline for loading into a dedicated barge. The terminal has an average barge loading rate of 4,200 barrels per hour and a maximum barge loading capacity of 56,000 barrels. Venoco typically loads a dedicated barge two to three times per month with 55,000 barrels of crude per load. The offshore facilities consist of: a six-point mooring system located in approximately 60-foot water depth, 2,600 feet from shore; two buoys; and a 10-inch-diameter marine loading pipeline that runs from the beach to the mooring area. The upland portion of the marine terminal includes the onshore oil loading line, two crude oil storage tanks, a pump house, a firewater tank, and a water supply pipeline.

Venoco, Cavern Point Unit (CPU)

Venoco has applied to the Minerals Management Service (MMS) to conduct exploration activities, including drilling two extended-reach exploratory wells from OCS Platform Gail (located approximately 10 miles west-southwest of Oxnard). If economically recoverable hydrocarbons were found, Venoco would proceed with plans to develop and produce the unit. Oil and gas would be separated on Platform Gail and sent to the Carpinteria Processing Facility (CPF). Development of the CPU may require Venoco to revise the existing Platform Gail Development and Production Plan (DPP) or to submit a new DPP. The process for the DPP revision would involve technical and environmental review by the MMS, including preparation of an appropriate environmental document pursuant to the National Environmental Policy Act (MMS 2000), and might trigger review by the CCC for consistency with the California Coastal Management Program. The project is currently on hold.

Venoco, Inc. Platform Holly Re-drill Program

This project, which was approved by the CSLC in September 2001, involves re-drilling three production wells from Platform Holly into the Monterey Formation (South Ellwood Field) on State leases 208 and 3242. To date, one of the three wells has been drilled. Short-term effects associated with this project include increased emissions from project drilling equipment and support vessels, possible interaction between marine wildlife and vessels or noise, and increased risks if produced gas does not contain a natural odor. All impacts have mitigation measures to reduce them to less than significant levels (Padre Associates 2001a).

Berry Petroleum Company Development of Lease 3314

Berry is currently working with the County of Ventura to obtain drilling permits to drill from their existing facilities located on PRC 735 into PRC 3314, and to recomplete their well on PRC 3314. Berry is finalizing a development plan to submit to the CSLC (CSLC 2003).

Federal OCS Platforms

Active oil and gas platforms in Federal waters on the Outer Continental Shelf in the general vicinity offshore of the shell mounds sites include the following: Platforms Houchin and Hogan, operated by Pacific Operators Offshore, Inc.; Platforms Gail and Grace, operated by Venoco, Inc.; and Platforms A, B, C, Henry, Hillhouse, Habitat, and Gilda, operated by Nuevo Energy Company (MMS 2003).

Rincon Island Limited Partnership (RILP)

RILP is seeking approval from the California State Lands Commission (CSLC) to abandon subsea Well #102 pursuant to requirements of the CSLC and the State Division of Oil and Gas and Geothermal Resources (DOGGR). The well was placed in production in March 1961, produced to the facilities on Rincon Island until 1971, was subsequently used as a water injection well, then was shut-in in 1979.

Decommissioning

Over the next decades all existing oil and gas platforms in federal and state waters are expected to be removed. Some decommissioning has already occurred. In addition to removal of the 4-H Platforms in 1996, the Offshore Storage and Treatment Vessel and Single Anchor Leg Mooring were removed from the Santa Ynez Unit in federal waters in 1994. As of October 2003, no major decommissioning projects are expected to occur in the next 2 to 3 years (pers. comm., J. Hall, MMS, 2003).

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